

Message Text

UNCLASSIFIED

PAGE 01 STATE 204199 TOSEC 100225

73

ORIGIN PA-02

INFO OCT-01 ISO-00 SS-15 PRS-01 USIA-15 INR-07 NSC-05

CCO-00 SSO-00 NSCE-00 /046 R

DRAFTED BY PA/M:JCHAMBERLAIN:JC

APPROVED BY PA/M:WJDYESS

S/S - MR. ORTIZ

DESIRED DISTRIBUTION

PA, S/S, S/PRS

----- 105449

P 272039Z AUG 75 ZFF4

FM SECSTATE WASHDC

TO USDEL SECRETARY PRIORITY

UNCLAS STATE 204199 TOSEC 100225

E.O. 11652: N/A

TAGS: SOPN, IS, PFOR

SUBJECT: PRESS MATERIAL

REFERENCE: STATE 203495 (TOSEC 10188), SECTO 10138

1. HERewith FULL TEXT WILLIAM BEECHER FRONT-PAGE LEAD STORY, BOSTON GLOBE, WEDNESDAY, AUGUST 27, HEADLINED "US WOULD DEPLOY WARSHIPS TO GUARD OIL FLOW TO ISRAEL."

2. IN THE EVENT OF ANOTHER OIL EMBARGO THAT COULD CUT ISRAEL OFF FROM OUTSIDE SUPPLY, THE UNITED STATES HAS AGREED NOT ONLY TO MAKE UP ANY DEFICIT FROM ITS OWN STOCKS, BUT TO PROVIDE WARSHIPS TO ESCORT OIL TANKERS DELIVERING SUCH SUPPLIES.

3. ADMINISTRATION AND DIPLOMATIC SOURCES SAID THIS ASSURANCE WAS PASSED BY SECRETARY OF STATE HENRY KISSINGER TO THE ISRAELI GOVERNMENT DURING HIS CURRENT SHUTTLE DIPLOMACY.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 204199 TOSEC 100225

4. THIS WAS CITED AS ONE OF A VARIETY OF UNDERTAKINGS AGREED TO BY THE UNITED STATES IN ORDER TO ASSUAGE ISRAELI FEARS OF ITS POTENTIAL VULNERABILITY TO THE OIL WEAPON ONCE IT RETURNS THE ABU RUDEIS OIL FIELDS IN THE SINAI TO EGYPT.

5. OTHER KEY STEPS INCLUDE:

6. --COMPENSATION AT THE RATE OF ABOUT \$350 MILLION A YEAR FOR THE PURCHASE OF PETROLEUM PRODUCTS TO MAKE UP FOR THE LOSS OF ABU RUDEIS PRODUCTION, REPRESENTING 50 TO 60 PERCENT OF ISRAEL'S CONSUMPTION. AS OIL PRICES RISE, THIS FIGURE COULD BE INCREASED, SOURCES SAID.

7. --CONSTRUCTION OF UNDERGROUND OIL STORAGE FACILITIES TO INCREASE ISRAEL'S STOCKPILED FUEL FROM A SIX-MONTH TO A 12-MONTH SUPPLY. IT IS ESTIMATED SUCH CONSTRUCTION WOULD COST \$150 MILLION TO \$200 MILLION.

8. THESE ITEMS WILL BE PART OF THE \$2-BILLION TO \$2.5-BILLION PACKAGE OF MILITARY AND ECONOMIC AID THAT THE ADMINISTRATION WILL PRESENT TO CONGRESS FOLLOWING THE CONCLUSION OF A DRAFT INTERIM AGREEMENT BETWEEN EGYPT AND ISRAEL. BARRING A LAST-MINUTE HITCH, THE DRAFT AGREEMENT IS EXPECTED TO BE REACHED FRIDAY OR SATURDAY.

9. ISRAEL'S PRINCIPAL OUTSIDE SOURCE OF FUEL IS IRAN. EVEN DURING THE ARAB OIL EMBARGO AT THE TIME OF THE OCTOBER 1973 WAR, IRAN CONTINUED TO SHIP OIL TO ISRAEL.

10. AND DESPITE PUBLIC STATEMENTS BY THE SHAH OF IRAN THAT HIS COUNTRY WOULD NOT PARTICIPATE IN ANY FUTURE OIL EMBARGO, ISRAELI OFFICIALS ARE APPREHENSIVE THAT INCREASING SIGNS OF CLOSER RELATIONS BETWEEN IRAN AND THE ARAB WORLD COULD RESULT IN A DECISION TO SHUT OFF ISRAEL IN A FUTURE CRUNCH.

11. DURING A RECENT VISIT TO ISRAEL, A GLOBE REPORTER WAS TOLD BY A SENIOR ISRAELI OFFICIAL THAT IRAN RECENTLY HAD ALLOWED EGYPTIAN PILOTS TO FLY US-MADE F4 AND F5 JET FIGHTERS. WHILE THE ASSERTION COULD NOT BE CONFIRMED

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 STATE 204199 TOSEC 100225

THROUGH US SOURCES, IT WAS EVIDENCE OF A GROWING ISRAELI PERCEPTION OF INCREASING POTENTIAL ISOLATION.

12. IT WAS AGAINST THIS BACKGROUND THAT THE UNITED STATES AGREED TO GUARANTEE ISRAEL'S PETROLEUM NEEDS IN THE EVENT OF AN EMBARGO.

13. SOURCES SAID THE PLEDGE TO USE ARMED ESCORTS IN THE

EVENT ANY NATION TRIED TO INTERFERE WITH SHIPMENTS BY US OIL TANKERS HAD PRECEDENT DURING THE LARGE-SCALE US AIRLIFT OF WEAPONS AND AMMUNITION IN OCTOBER 1973.

14. IN ORDER TO PROTECT THE AMERICAN TRANSPORT AIRCRAFT

FROM ANY POSSIBILITY OF ATTACK, THE UNITED STATES POSTED RADAR SHIPS AND AIRCRAFT CARRIERS ALONG THE MEDITERRANEAN ROUTE, AND ISRAELI JETS PICKED UP AND ESCORTED THE PLANES DURING THE LAST LEG OF THEIR FLIGHT TO LOD AIRPORT IN TEL AVIV. THEY ALSO ESCORTED THEM OUT OF THE COMBAT ZONE, AFTER WHICH RESPONSIBILITY FOR THEIR PROTECTION WAS AGAIN ASSUMED BY THE US 6TH FLEET.

15. THERE WERE NO REPORTS OF US TRANSPORT PLANES BEING ATTACKED OR EVEN THREATENED DURING THE 1973 WAR.

16. IN AN ATTEMPT TO DEVELOP SOME ENERGY SELF-SUFFICIENCY, ISRAEL IS STEPPING UP OIL-EXPLORATION ACTIVITY, PRINCIPALLY OFFSHORE.

17. THE TIMING OF THE TRANSFER OF ABU RUDEIS TO THE EGYPTIANS WILL BE WORKED OUT BY ISRAELI AND EGYPTIAN OFFICIALS AFTER THE WRITING OF A DRAFT AGREEMENT, SOURCES SAID. THE OFFICIALS ARE EXPECTED TO MEET IN THE SINAI OR GENEVA.

18. THE US EXPECTS ISRAEL TO AGREE TO GIVE UP ABU RUDEIS FAIRLY EARLY IN THE SIX-MONTH IMPLEMENTATION PERIOD. BUT IF, FOR EXAMPLE, IT SHOULD HOLD ONTO THE OIL FIELDS FOR SIX MONTHS, PUMPING OIL ALL THE WHILE, THE UNITED STATES WOULD THEN CUT THE FIRST YEAR'S COMPENSATORY PAYMENT TO \$175 MILLION, SOURCES SAID.

UNCLASSIFIED

UNCLASSIFIED

PAGE 04 STATE 204199 TOSEC 100225

19. THE SOURCES NOTED, HOWEVER, THAT IF THE PRICE OF FUEL CONTINUES TO RISE SIGNIFICANTLY, AND THERE IS EXPECTED TO BE ANOTHER INCREASE NEXT MONTH, THE UNITED STATES HAS AGREED TO NEGOTIATE THE AMOUNT OF FUTURE ANNUAL PAYMENTS TO REFLECT THE SITUATION IN THE MARKETPLACE.

20. THERE HAS BEEN A DIFFERENCE OF OPINION WITHIN THE ADMINISTRATION ON WHETHER THE US PLEDGE TO SUPPLY OIL TO ISRAEL IN THE EVENT OF AN EMBARGO WOULD REQUIRE SPECIAL LEGISLATION. THE PREVAILING OPINION, AFTER BRIEF CONSULTATION WITH THE SENATE FOREIGN RELATIONS COMMITTEE, IS THAT IT PROBABLY WILL NOT.

21. SOME LAWYERS HAVE SUGGESTED THAT UNDER THE DEFENSE

PRODUCTION ACT, THE PRESIDENT COULD DECLARE AN EMERGENCY
DURING ANY FUTURE EMBARGO AND ALLOCATE PETROLEUM PRODUCTS
FROM US FIRMS TO ISRAEL. BUT THAT COULD BE A MATTER OF
SOME DEBATE IN CONGRESS WHEN THE ISSUE IS PRESENTED,
OFFICIALS SAID. (END TEXT) INGERSOLL

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS COMMENTS, PETROLEUM, NAVAL FORCES, TOSEC
Control Number: n/a
Copy: SINGLE
Draft Date: 27 AUG 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE204199
Document Source: CORE
Document Unique ID: 00
Drafter: JCHAMBERLAIN:JC
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750297-0191
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750812/aaaaakiz.tel
Line Count: 174
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN PA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 75 STATE 203495
Review Action: RELEASED, APPROVED
Review Authority: hartledg
Review Comment: n/a
Review Content Flags:
Review Date: 10 FEB 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <10 FEB 2003 by ReddocGW>; APPROVED <23 JAN 2004 by hartledg>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PRESS MATERIAL
TAGS: SOPN, PFOR, IS, BOSTON GLOBE, (BEECHER, WILLIAM)
To: SECRETARY
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006